

Frequently Asked Questions about the FAA Incremental Insurance Premium Reimbursement Program

Q: What is the FAA offering to reimburse?

A: The FAA is offering to reimburse U.S. air carriers for up to thirty days' increased expense for war risk insurance premiums for comparable operations of, and coverage against loss or damage to, an "American aircraft". 'War risk insurance' may be war risk hull and/or war risk liability insurance policies. This offer of reimbursement is dependent on the amount of funds made available for this purpose as well as the total amount to be requested by air carriers.

Q: How do I get this reimbursement?

A: Follow the instructions provided by the FAA. These instructions are available on the internet in the document labeled "Aviation Insurance Incremental Premium Reimbursement", at <http://www.api.faa.gov/911Policies/InsCover.html>

Q: What constitutes an "American aircraft" for purposes of the reimbursement program?

A: The term "American aircraft" is defined at 49 U.S.C. 44301(1) as a civil aircraft of the United States; and an aircraft owned or chartered by, or made available to the U.S. Government or a State, the District of Columbia, a territory or possession of the United States, or a political subdivision of the State, territory, or possession.

Q: Over the past month, I have supplied lots of documentation to the FAA on my insurance policies and premiums. Do I have to submit new documentation to get my reimbursement?

A: You must submit the invoice to the FAA according to the format in the instructions. FAA will need to have on file all of the documentation described in the instructions. Work with your assigned FAA insurance representative to determine if adequate documentation is on file to back up that invoice or if you need to submit some additional material.

Q: The minimum premium payment my insurance carrier required was three months. Will the FAA reimburse me for this entire amount?

A: Not at this time – this offer for reimbursement is limited to up to the pro-rated 30 days of increased expense only.

Q: Prior to September 11, I had purchased war risk liability insurance, but was not charged a separate premium by my insurance carrier because it was combined with the entire liability policy premium. Now I have a separate premium amount – is that eligible for reimbursement?

A: Yes. Work with your assigned FAA insurance representative to make sure this is clearly documented.

Q: My air carrier never used to purchase war risk insurance above the Part 205 minimum requirements, but now I have a business requirement for increased coverage. Will the FAA reimburse for this entire difference?

A: The FAA offer is to reimburse for comparable coverage only. Expenses from new business requirements may be eligible for aid from the U.S. Department of Transportation Air Carrier Compensation Program. Information on that program can be found at <http://www.dot.gov/carriers.html>.

Q: My air carrier has purchased the FAA third party liability war risk insurance policy. Will the FAA reimburse me for the premium payment (or can I net the premium against the reimbursement)?

A: No. The FAA insurance policy is to fill a specific gap in the commercial insurance market and the premium is not eligible for reimbursement.

Q: My overall insurance premium has increased. Will the FAA reimburse me for this entire difference?

A: No. The FAA offer of reimbursement is for war risk premium increases only.

Q: What is the certification “subject to 18 USC 1001”?

A: This acknowledges that a false certification can be subject to criminal prosecution.

Q: I would prefer a check to an electronic funds transfer. Is that possible?

A: The U.S. Government requires almost all disbursements to be made electronically. If your carrier has a special requirement, please discuss this with your FAA insurance representative.

Q: There is a reference to “pro-rated based on the availability of funds” in the instruction letter. What does this mean?

A: The FAA can only disburse funds available for this purpose. We have some uncertainty about the total amount that will be requested. The funds allocated for this purpose are also subject to Congressional review. After all requests are received, (by close of business November 2) the FAA will determine whether full or partial refunds will be made.

Q: How and when will I find out how much I will be receiving?

A: Your FAA insurance representative will contact you during the week of November 12.